

Chapter-2 : Audit Framework

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2.1 Audit objectives

The Audit objectives were to ascertain whether:

- Planning for implementation of schemes was effective;
- Financial management was efficient;
- Implementation of the Social Sector Schemes was efficient, effective and economical;
- The extent of organisational cohesion and intra-agency synergy in the district against a variety of bodies such as DDOs, Parallel Bodies, Local Bodies and Autonomous Bodies was appropriate;
- Human Resource Management was efficient in carrying out the implementation of the schemes;
- Internal Control System was efficient and effective; and
- Monitoring mechanism was in place and effective.

2.2 Audit mandate

The audit of schemes and programmes implemented in the district was conducted under Sections 13 and 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

2.3 Audit criteria

The Audit criteria used for assessing the performance of various developmental programmes/ schemes was derived from:

- Annual Action Plans
- Guidelines of the concerned schemes/ programmes issued by the Central/ State Government;
- Provisions of State Financial Rules and supplementary instructions/ orders issued by the Central/ State Government from time to time; and
- Prescribed monitoring mechanisms.

2.4 Audit scope and methodology

Audit of district Kinnaur involved a review of the significant socio-economic developmental programmes implemented in the district during the period 2007-12. The programmes/ schemes selected for audit have been listed in **Appendix-1.6**.

Before commencement of audit, discussions were held with the Deputy Commissioner (DC) and representatives of other departments in Kinnaur district in an entry conference held in May 2012.

Two¹ out of three community blocks were selected for detailed scrutiny on the basis of Simple Random Sampling without Replacement (SRSWOR) method. Further, 20 out of 42 Gram Panchayats (GPs) in these blocks and 20 *per cent* of villages in selected GPs were selected for extensive audit based on SRSWOR method. For assessing the quality of services by the programme implementing agencies, a beneficiary survey was also conducted by the audit and results thereof have been incorporated in the Report.

Besides, records in the offices of the DC, Project Officers of ITDP, DRDA, Project Director, DDP, Pooh, District Project Officer (Sarva Shiksha Abhiyan), Deputy Directors of Elementary and Higher Education, Superintending Engineer of Irrigation and Public Health (I&PH) Department, District Health Mission, District Welfare Officer, District Programme Officer (Integrated Child Development Services), two² divisions of Public Works Department (PWD) located in the district, one³ out of two divisions of Irrigation and Public Health (I&PH) Department, Superintendent of Police, District Information Centre and Himachal Pradesh State Electricity Board Limited (HPSEBL) were also examined.

Audit findings were discussed with the Deputy Commissioner and the departmental functionaries in the exit conference held on 26 November 2012 and their views have been incorporated in the Report at appropriate places. The updated audit findings are discussed in the succeeding chapters.

2.5 Acknowledgement

The office of the Principal Accountant General (Audit) Himachal Pradesh acknowledges the co-operation and assistance extended by the DC and district heads of concerned departments, the concerned BDOs and Gram Panchayat Pradhans during the course of audit.

¹ Nichar at Bhabanagar and Pooh.

² Karchham at Bhabanagar and Reckong Peo.

³ Reckong Peo.